

## Office of the Secretary of Defense

## § 172.4

### § 172.1 Purpose.

This document provides revised and expanded instructions on the collection and disposition of cash and cash equivalents received by the DoD Components for the DoD sale of surplus personal property.

### § 172.2 Applicability and scope.

This part:

(a) Applies to the Office of the Secretary of Defense (OSD), the Military Departments, the Joint Chiefs of Staff (JCS) and the Joint Staff, the Unified and Specified Commands, the Inspector General of the Department of Defense (IG, DoD), the Defense Agencies, and DoD Field Activities (hereafter referred to collectively as “DoD Components”).

(b) Applies to the proceeds resulting from sales made under authority of Public Law 152 and to the following:

(1) Personal property governed by DoD 4160.21-M.

(2) Surplus Government-owned personal property in the possession of contractors, as described in FAR subpart 45.6.

(3) Recyclable material governed by 10 U.S.C. 2577. Such materials would otherwise be sold as scrap or discarded as waste, but are capable of being reused after undergoing some type of physical or chemical processing. The recycling of hazardous materials or hazardous waste shall be accomplished with due recognition of the types of materials being processed and the applicable regulation governing the handling and disposal of such materials. Qualified recyclable materials do not include the following:

(i) Precious metal-bearing scrap and those items that may be used again for their original purposes or functions without any special processing; e.g., used vehicles, vehicle or machine parts, bottles (not scrap glass), electrical components, and unopened containers of oil or solvent.

(ii) Ships, planes, or weapons that must undergo demilitarization or mutilation before sale.

(iii) Scrap generated from DoD industrial fund (IF) operations that has been routinely sold with the proceeds being used to offset customer costs.

(iv) Bones, fats, and meat trimmings generated by a commissary store or exchange.

### § 172.3 Policy.

(a) Cash or cash equivalents in the prescribed amounts shall accompany bid deposits for a bid to be considered responsive. Similarly, cash or cash equivalents for the total sales price shall be received by the DoD Components or, in authorized cases, by contractors before the transfer of physical possession to the successful bidder.

(b) Amounts collected by the DoD Components in connection with the sale of excess and surplus property shall be deposited promptly to the U.S. Treasury accounts prescribed in accordance with this instruction. The use of suspense accounts shall be minimal. If the account, ultimately to be credited with the proceeds of a sale, can be determined reasonably at the time funds are collected, the deposit shall be made immediately to that account.

(c) The Secretary of each Military Department shall establish qualified recycling programs. The effort associated with the collecting, processing and selling of recyclable material is in appendix A to this part.

(1) Proceeds from the sale of recyclable material shall be used to reimburse installation-level costs incurred in operation of the recyclable program.

(2) After reimbursement of the cost incurred by the installation to operate the recycling program, installation commanders may use up to 50 percent of remaining sale proceeds for pollution abatement, energy conservation, and occupational safety and health activities. A project may not be carried out for an amount greater than 50 percent of the amount established by law as the maximum amount for a minor construction project.

(3) Any sale proceeds remaining after paragraphs (c)(1) and (2) of this section may be transferred to installation morale or welfare activities.

### § 172.4 Responsibilities.

The *Heads of DoD Components* that sell surplus personal property shall implement the procedures prescribed in this part for the disposition of cash and